

Statement

of

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Before the

**SENATE COMMITTEE ON INDIAN AFFAIRS AND THE SENATE
COMMERCE COMMITTEE ON COMMERCE, SCIENCE AND
TRANSPORTATION**

On

TRIBAL TELECOMMUNICATIONS ISSUES

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253 Russell Senate Office Building

I. Introduction

Good morning, Mr. Chairman and Members of the Committees. My name is K. Dane Snowden, and I am the Chief of the Consumer & Governmental Affairs Bureau at the Federal Communications Commission. I appreciate this opportunity to appear before you today to discuss tribal telecommunications issues.

On March 25, 2002, the FCC formally completed its reorganization. As part of that reorganization, the Consumer & Governmental Affairs Bureau was formed. The Bureau serves as the agency's primary liaison with other Federal agencies and tribal, state and local governments. It implements the Commission's consumer-related policy through rulemakings that address issues such as slamming and cramming. It responds to consumer inquiries and resolves informal complaints. And finally, it engages in outreach and education initiatives intended to inform consumers about important telecommunications issues and initiatives.

As part of its intergovernmental affairs functions, the Bureau has primary responsibility within the agency for establishing and developing relationships with Federally-recognized American Indian tribes. The Bureau works closely with the Commission's other bureaus and offices to address telecommunications issues of concern to the tribes.

II. Background

The Telecommunications Act of 1996 codified the Commission's historical commitment to promote universal service to ensure that all Americans have access to affordable, quality telecommunications services. Congress articulated a national goal that "consumers in all regions of the Nation, including low-income consumers and those in rural, insular, and high-cost areas, should have access to telecommunications and information services." Those living in American Indian and Alaskan Native tribal communities are included.

Two years ago this June, the FCC took steps consistent with this goal to address historically lower-than-average telephone penetration rates on tribal lands. The Commission concluded two comprehensive rulemakings that resulted in measures to promote telecommunications subscribership and infrastructure deployment within American Indian and Alaskan Native tribal communities. In the first of these *Orders*, the Commission amended its universal service rules to provide additional, targeted support under the universal service low-income programs, the so-called Lifeline and Link-Up programs, to help consumers pay for installation and monthly service and create financial incentives for carriers eligible to receive universal service support to serve and deploy facilities in areas that may previously been regarded as high-risk and unprofitable.

Lifeline allows eligible consumers to save money on their basic monthly telephone service fee. The Commission's amendments included up to \$25.00 per month in additional Federal Lifeline Assistance on tribal lands. This Enhanced Lifeline support

brings basic monthly rates on tribal lands down to \$1 per month in most cases. In comparison, for consumers living on non-tribal lands, the discount is up to \$8.50 per month, depending on the state of residence. Link-Up offsets initial connection charges and line extension costs associated with the initiation of service. Link-Up helps defray up to \$100 of such costs on tribal lands, and up to \$30 on non-tribal lands. For more information about these programs see <http://www.fcc.gov/cgb/consumerfacts/lowincome>.

In addition to implementing these amendments, the Commission broadened the consumer qualification criteria for low-income consumers on tribal lands to include income-dependent eligibility criteria employed in means-tested programs in which Native Americans may be more likely to participate. These include Bureau of Indian Affairs general assistance, Tribally Administered Temporary Assistance for Needy Families (or TTANF), Head Start or the National School Lunch Program.

In adopting these “Enhanced” low-income programs for residents of tribal lands, the Commission also recognized that many consumers in rural and low-income communities did not know about the Lifeline and Link-Up programs. So, the Commission required telecommunications carriers that participate in the programs to publicize the availability of Lifeline and Link-Up to reach those likely to qualify for them.

Finally, in this *Order*, the Commission established a framework designed to streamline the process for eligibility designation of carriers providing service on tribal

lands. With such designation, carriers are eligible to receive universal service support. Under this framework, a carrier seeking an eligibility designation for the provision of service on tribal lands may petition the Commission for such designation.

In a companion *Order*, the Commission established bidding credits for use by winning bidders in spectrum auctions who pledge to deploy facilities and provide service within three years to Federally-recognized tribal areas that have a telephone penetration rate at or below 70 percent. A winning bidder may receive a \$300,000 credit for up to the first 200 square miles of qualifying tribal lands within its license area.

Finally, in June 2000, the Commission adopted a Policy Statement in response to the requests of Indian leaders for a statement of policy reaffirming its recognition of tribal sovereignty and the special trust relationship existing between the Federal government and Federally-recognized tribes. In this statement of policy, the FCC committed to, among other things, endeavor to work with Indian tribes on a government-to-government basis consistent with principles of tribal self-governance to ensure, through its regulations and policy initiatives and consistent with the Communications Act, that Indian tribes have adequate access to communications services.

These steps represented the culmination of an examination of the issues involved in providing access to telephone service for Native Americans living on reservations. This examination included, in part, meetings here in Washington involving Commission

staff, representatives from other Federal agencies, and Indian tribal leaders, as well as field hearings in Albuquerque, New Mexico and Chandler, Arizona.

Today, the telephone penetration rate for tribal lands remains well below the nationwide rate of 95 percent. Although there is promising news for some tribes, looking more closely, we observe that certain tribes enjoy penetration rates approaching the national average; for others, the penetration rate continues to remain far below. For example, Mescalero Apache Telecom, a tribally-owned carrier which serves the Mescalero Apache Reservation in New Mexico recently celebrated its first anniversary and announced that it has more than doubled subscribership on the reservation from 650 to 1,449 customers. In contrast, last month I met with representatives of the Yurok Tribe of Eureka, California, who told me that basic phone service is not widely available to its members.

Although the Commission's efforts are less than two years old, these actions appear to have accomplished a number of key goals. For example, more people have been made aware of the Enhanced Lifeline and Link-Up programs, and, as a result, more people are getting affordable telephone service on tribal lands. Since first implemented in the last quarter of 2000, Enhanced Lifeline subscribership has increased by approximately 177 percent nationwide.

Because more consumers can afford service as a result of these programs, tribal communities have become more inviting to existing telecommunications carriers and, in

some cases, even new carriers or providers. For example, Western Wireless and Smith Bagley, two wireless providers, have commenced serving Federally-recognized reservations in South Dakota, Arizona and New Mexico.

III. Targeted Indian Country Outreach

Increased access to basic telecommunications services can mean greater prosperity -- both economic and otherwise -- for all. Conversely, the absence of basic telephone service within the home places its occupants at a disadvantage with respect to seeking employment and contacting police, fire departments, and medical providers in an emergency, for example. Basic telecommunications services may also provide access to more advanced services. Voice telephone is currently the most common means of household access to the Internet, and the same copper loop used to provide ordinary voice telephone may be used for broadband services.

The Commission believes that with greater awareness of the tools and resources available to help increase telecommunications access, tribal nations will be better able to help connect their members to much-needed telecommunications services, both as consumers and, for some, as providers of those services. The Commission is committed to bringing this knowledge to Indian Country through a variety of means.

Currently, the Commission provides information about Enhanced Lifeline and Link-Up and other matters related to telecommunications services on tribal lands on its Internet site. <http://www.fcc.gov/indians>. Additionally, consumers may call the

Commission's Consumer Center toll-free at 888-CALL-FCC and talk with an FCC customer representative to learn more about these matters.

In June 2002, the Commission is launching a national outreach program called, "Get Connected: Afford-A-Phone," which seeks to inform those otherwise eligible of the availability of the Lifeline and LinkUp programs. As part of this initiative, the Consumer & Governmental Affairs Bureau will contact each of the more than 550 Federally-recognized tribes. In addition, the Bureau has identified to date 25 tribal associations that will also be contacted. The Consumer & Governmental Affairs Bureau will also coordinate with those Federal agencies providing services on tribal lands and provide individuals easy-to-understand information and guidance on how to take advantage of these programs. Finally, the Bureau will continue to endeavor to work closely with your respective committees in these efforts.

One of the Commission's key outreach efforts in Indian Country is hosting educational conferences on increasing access to telecommunications services.

One of these conferences is the Indian Telecom Training Initiative (ITTI). The FCC postponed ITTI 2001 in the wake of the September 11, 2001 terrorist attacks and rescheduled it for September 2002. However, because of decreased advance registrations and acknowledgement of the first anniversary of the tragedy of September 11, the Commission decided, in consultation with our conference co-sponsor, the

National Exchange Carrier Association (NECA), to cancel ITTI 2002.

The FCC remains committed to advancing the goal of improving the quality of life in Native American communities through improved telecommunications access.

The Commission will shift its focus from a single annual event to a series of interactive workshops among tribes, Federal government agencies and the communications industry to address telecommunications issues facing Indian Country. Our new approach will be called the Indian Telecommunications Initiative (ITI). It acknowledges that different tribes are in different stages of economic development, particularly where telecommunications access is concerned, and recognizes that different tribes face different impediments to telecommunications deployment.

The goal of ITI is to encourage partnerships among tribes, Federal agencies, and industry to improve telecommunications access in Indian communities and to do so in a manner that may permit the Commission to target those communities where the need is most pronounced.

Finally, in addition to these targeted Commission initiatives, from time to time, tribal representatives meet with FCC staff to obtain information about our various telecommunications programs. With the formation of the Consumer & Governmental Affairs Bureau, the Commission will formalize these meetings between tribes and Commission staff to provide a forum for individual tribes to explore the various tools and

resources available to them consistent with the government-to-government relationship acknowledged in the Commission's Policy Statement.

IV. Conclusion

Given the Commission's continuing commitment to increasing telecommunications access in Indian Country, we want to engage in dialogue with tribes, industry, and other Federal agencies as well as the states to decide how best to achieve our mutual goal.

Then, working with tribes and other interested parties, the Commission can further develop an outreach plan to address those needs on a more targeted level. Ultimately, our goal is to engage more direct input from Indian Country to decide how to move forward in bringing telecommunications access to Native American communities.

The Commission proposes to seek the input of other Federal agencies, especially those that are charged with issues like education, health care, housing and employment to draw on their expertise, as access to basic telecommunications services is key to each of these areas.

The Commission further proposes to seek the input of the telecommunications industry, so that the potential of all technologies: wireless, wireline, cable and satellite can be explored.

Working collaboratively with other Federal agencies, rather than in isolation, the Commission believes it can be more effective in improving the overall quality of life for residents of Indian Country through telecommunications development.

By casting a broad net in seeking input, coupled with a targeted approach, the Commission increases the chances of finding workable solutions that can be adapted to meet the telecommunications needs of Native American communities.

I look forward to answering any questions you have.